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California Energy Commission
Dockets Unit
Attn: Docket No. 04-IEP-1F
1516 Ninth Street, MS-4
Sacramento, CA 95814-5512

DOCKET	
04-IEP-1F	
DATE	OCT 14 2005
RECD.	OCT 14 2005

Dear Commission:

Re: Southern California Edison's Comments on the September 23, 2005 Hearing
on the CEC Draft Committee Report - Strategic Transmission Investment Plan

Southern California Edison (SCE) would like to take this opportunity to provide the enclosed comments on the CEC Draft Committee Report – Strategic Transmission Investment Plan. These comments are in connection with the CEC hearing held on September 23, 2005.

If you have any questions regarding these comments, please call me at (916) 441-2369.

Sincerely,

Manuel Alvarez

Enclosure

cc: Commissioner John L. Geesman
Commissioner James D. Boyd
Kevin Kennedy

**Southern California Edison's Comments on the
CEC Draft Committee Report – Strategic Transmission Investment Plan
IEPR Proceeding (04-IEP-01F)**

Southern California Edison (SCE) supports the development of a comprehensive transmission investment plan that stimulates investments to ensure reliability, relieve congestion, and meet future growth in load and generation, including generation from renewable resources. SCE believes the California Energy Commission (CEC), in conjunction with other responsible agencies and local governments, can play an important role in the development and facilitation of transmission construction and strongly encourages the CEC to help implement with others the changes needed to ultimately lead to a more robust and efficient transmission grid.

Specifically, the CEC should focus its efforts on working with others to designate transmission corridors and to acquire environmental information associated with these corridors. SCE believes it is extremely important that the CEC corridor proposals do not create any duplicative processes that would further burden any transmission development process. SCE also believes the proposals must be compatible with federal and Native American rights and authority.

SCE wholly supports the development of a corridor planning process where the State oversees and coordinates the identification process that would allow stakeholders, agencies, landowners and other interested parties to collaborate, discuss and resolve the issues associated with corridor identification and the ultimate siting of transmission in the corridor(s). Furthermore, SCE believes an extension to the length of time a utility is permitted to keep the costs of land acquired for future needs in rate base is also meaningful and should be pursued. Clearly, the current five-year land banking requirement is not sufficient for utilities to perform long-term planning and adversely affects the development of transmission in critical areas of the state. SCE strongly encourages the CEC to work closely with the CPUC in establishing a proceeding to explore land banking issues.

Unlike the suggestion in Chapter 2: Addressing Planning and Permitting Issues, at page 22 of the draft report, SCE does not believe that an approach where load-serving entities become the land acquirers and owners of designated corridors is a workable alternative. It is the state's

responsibility to designate corridors and compensate land owners for any degradation in their property value while the corridor is in existence. Deciding in advance as to which utility will use a designated corridor and requiring that particular utility to “bank” the corridor in its rate base could lead to an unfair and potentially contentious process. The corridor may ultimately be used by a different utility than the utility that banked the corridor (or the corridor could be used by multiple entities). As such, no utility should be responsible for any particular corridor – it should be the state’s responsibility.

A transmission corridor may be located in urban or rural areas, on federal, state or Native American lands. Under today’s processes, the entity that intends to use a specific transmission line route must obtain all necessary approvals for the use of that route from various entities. These approvals will vary depending upon the specific ownership/jurisdiction of the land and the regulatory oversight of the entity proposing the route. SCE supports the development of a corridor planning process that is performed on a cooperative basis with non-state entities such as the United States Bureau of Land Management, the Forest Service, the Department of Defense, Native American tribal entities, and local communities and governments that may be affected by the transmission corridor (and ultimately the transmission project). Interaction with local cities and counties is extremely important and should be a part of any corridor planning process. SCE recommends that the State, through the CEC, refresh programs that were used in energy efficiency proceedings where the CEC conducted community outreach and education programs. These programs were extremely effective and could be a model for CEC outreach efforts in any transmission corridor identification and planning process that is developed.

SCE also strongly encourages the CEC, in conjunction with other responsible state agencies, to participate in the upcoming western state scoping session in Sacramento on November 1, as announced by the Department of Interior and the Department of Agriculture.¹ The November 1 meeting is one of a series of meetings scheduled in regard to transmission corridors for transmission and other energy rights-of-way on federal land, as required by the Energy Policy Act of 2005.

¹ See Department of Energy and Department of the Interior “Notice of Intent to Prepare a Programmatic Environmental Impact Statement, Amend Relevant Agency Land Use Plans, Conduct Public Scoping Meetings, and Notice of Floodplain and Wetlands Involvement” at Federal Register, Volume 70, No. 17, September 28, 2005, pp. 56647 – 56649.

The CEC must ensure that the specific locations being studied as potential corridors for transmission development are areas that will lend support to the siting of generation, either through the identification of highly complementary locations for the development of renewable generation or as expressed by developers through the CAISO interconnection queue. If the corridors are not complementary to any proposed generation, then the corridors must be designated in geographic locations that lend themselves to the construction of transmission facilities that will alleviate congestion on existing transmission lines, facilitate future load growth, or provide for the development of transmission facilities to support the economic purchase, exchange and integration of electrical capacity and energy. SCE encourages the CEC to revisit the filings to the state legislature made by California's investor-owned electric utilities on December 1, 2003. In the filings, each utility provided very specific information related to the details necessary to interconnect renewable generation in the state. These filings will provide a great foundation for focusing corridor designation efforts in specific geographic areas that will complement the interconnection of renewable generation and transmission assets to deliver that generation to load centers.

As SCE stated in its comments filed in response to the CEC Staff Report Prepared in Support of the 2005 Integrated Energy Policy Report, Proceeding (04-IEP-01F), SCE believes the establishment of a biological database to assess the environmental implications associated with transmission corridors will also help to facilitate the timely development of transmission facilities. The development of such a database could assist with the environmental assessment of those corridors identified in the corridor planning process and could decrease the amount of time required for a utility to prepare an Environmental Impact Report (EIR). With a better understanding of where development in each corridor will result in the least amount of environmental impacts, the time required for transmission siting could be decreased while conserving as much of the natural habitat as possible. Any transmission line sited in that particular corridor would not need a separate environmental assessment.

The development of a programmatic EIR that is related to a specific corridor, rather than use of separate EIRs for each specific transmission project, would further streamline the transmission planning and permitting process. As CEC staff summarized in its report titled, "A Roadmap for Pier Research on Biological Issues of Siting and Managing Transmission Line Rights-Of-Way," issued in April 2004 (April 2004 Report), transmission corridors are often quite

long which can affect several habitat types and species of concern within one corridor. Siting new lines is often complicated and lengthy and is also subject to public opposition due to biological, visual, real estate value, and health concerns. Strategies that identify opportunities to promote conservation within rights-of-way while maintaining system reliability could contribute to statewide conservation efforts, reduce negative public perception, and facilitate the siting of new, much-needed transmission lines.² In the same report, the staff proposed that the CEC explore dedicating Public Interest Energy Research Environmental Area (PIER-EA) funding to establish the tools and methods to facilitate the environmental assessments of the corridors. SCE supports the staff proposal and strongly encourages the CEC to reexamine the process and proposals related to an environmental database as outlined in the April 2004 Report.

As a final comment, SCE would like to highlight a transmission concern that appears to have received little attention in the Draft Strategic Transmission Investment Report, namely, the continuing congestion which exists on the primary transmission path from northern to southern California (i.e., Path 26). Although various smaller projects have been pursued to help reduce the amount of Path 26 congestion for 2005, SCE believes an increased emphasis needs to be made in this critical area going forward.

As a means to address these ongoing Path 26 congestion concerns, consideration should be given to accelerating the development of a 500kV connection from northern California to the Tehachapi area. Not only does such a proposal exist as part of the Tehachapi Transmission Plan (Phase 4) activities, at the September 12, 2005 Energy Action Plan meeting, SCE expressed that it is considering to add to its current proposed Tehachapi transmission proposal an extension of its planned 500kV system from the Tehachapi area to central California (Midway). Although this extension is just in the preliminary study phase, it is believed that projects like this, along with an acceleration of Phase 4, would not only help mitigate Path 26 congestion on a more permanent basis, but also greatly expand the State's access to the renewable resources in that region.

SCE appreciates this opportunity to comment on the Draft Committee Report and is hopeful that the proposed processes move forward in a timely and productive manner.

² Publication Number 500-04-031, p. i